

._ ate of Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director

JOHN R. BAZA Division Director

Inspection Report Minerals Regulatory Program

Supervisor

Permit number: S/025/012 Inspection Date: Oct. 24, 2005 Time: 4:30 PM- 5:30 PM



November 4, 2005

Mine Name:	Bald Knoll
Operator Nan	ne: MMG Mining

3655 Lupin Way

ST. George, Utah 84790

Inspector(s): Daron Haddock, Tom Munson

Other Participants: Mark Carter

Mine Status: Active Weather: Warm, Clo

Wine Status: Active Weather: Warm, Cloudy				
Elements of Inspection	Evaluated	Comment	Enforcement	
 Permits, Revisions, Transfer, Bonds Public Safety (shafts, adits, trash, signs, highwalls) Protection of Drainages / Erosion Control Deleterious Material Roads (maintenance, surfacing, dust control, safety) Concurrent Reclamation Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) Water Impoundments Soils Revegetation Air Quality Other: Mining has expanded beyond permitted area (4.3 acres) 				

Purpose of Inspection:

A Division Directive was issued at this site on 6/6/04 because the mine had expanded to 7.56 acres. To satisfy the Directive the operator chose to reclaim 3.26 acres of disturbance to bring the mine to a total area of 4.3 acres. Another condition of the Directive was that the area that was to remain the active portion of the permit was to be marked with green t-posts.

This inspection was made to document reclamation activities at the site and to check the progress of the mining efforts.

Inspection Summary:

The mine was not operating at the time of our inspection. There is a crusher set-up with an associated gen-set and equipment located in the quarry.

We walked the entire site and found evidence that the t-posts required by the Division Directive had been installed.



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The entire site was GPS'd. The GPS information indicated that a total of 9.03 acres of disturbance existed at the site, this total includes the 4.62 acres of regarded area. The GPS map and photos taken while on the site are included in this report.

2. Public Safety (shafts, adits, trash, signs, highwalls)

A new access road had been constructed into the site since our last visit. This new road enters the quarry through a slot cut in the south highwall. There are now two roads into the mine site. The old road was an existing road and will remain.

6. Concurrent Reclamation

A total of 4.62 acres, of the 9.03, has been regraded on the northern edge of the present pit. This area was outlined and separated from the active area by fence posts. 4.41 acres are still being used to support the present operation.

12. Other: Mining has expanded beyond permitted area (4.3 acres)

The mine is presently permitted and bonded for 4.3 acres of disturbance. Due to the additional acres of disturbance, this site is presently in non-compliance. A LMO-NOI (large mine application) was given to the operator to be filled out and submitted to the Division.

Conclusions and Recommendations:

In order to bring the site into compliance, the operator will need to apply for and obtain a NOI-LMO (large mine) permit from the Division. This large mine permit site will need to be obtained to allow for further mining activity.

A bond for all the acreage in excess of 4.3 acres of disturbance, which is presently permitted and bonded for, will need to be posted with Division.

A Cessation Order has been issued to the operator because the quarry has expanded beyond 5 acres without first applying for a NOI-LMO.

The operator has submitted an LMO application and completed the regrading and also the seeding, although it had not been done at the time of inspection. It was to have been done shortly following our inspection. The Division is assuming this reseeding was done. When adequate bond is submitted, the Cessation Order will be considered abated.

Inspector's Signature Thoras Munso

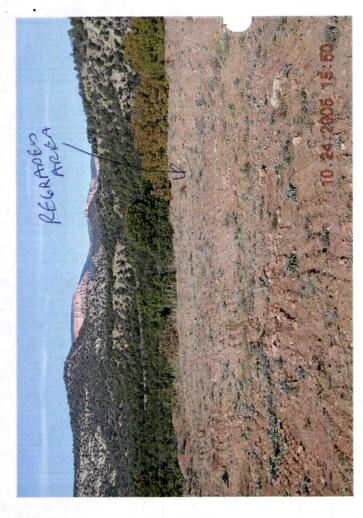
Date: November 4, 2005

TM:ib

cc: MMG Mining, Operator

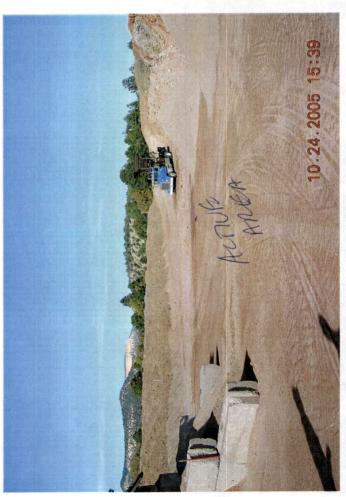
John Blake, SITLA Attachment: GPS & Photos

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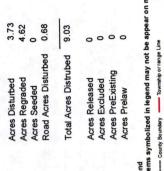


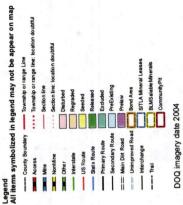


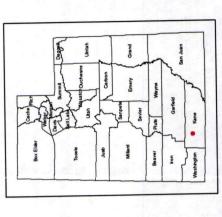


Mine Number: M0250012 Mine Name: Bald Knoll Township 40 S Range 05 W Section 16 SLBM

Inspection Date Oct. 24, 2005 Map Produced by DKS







Dept. of Natural Resources Division of Oil, Gas, and Mining Mineral Mines Program

Feet 1:7,500 1 inch equals 625 feet

Verify Scale